

BEFORE THE DEPARTMENT OF REVENUE
OF THE STATE OF MONTANA

In the matter of the adoption of New) NOTICE OF PUBLIC HEARING ON
Rule I pertaining to the value before) PROPOSED ADOPTION
reappraisal for agricultural land)

TO: All Concerned Persons

1. On December 2, 2014, at 10 a.m., the Department of Revenue will hold a public hearing in the Third Floor Reception Area Conference Room of the Sam W. Mitchell Building, located at 125 North Roberts, Helena, Montana, to consider the proposed adoption of the above-stated rule. The conference room is most readily accessed by entering through the east doors of the building.

2. The Department of Revenue will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, please advise the department of the nature of the accommodation needed, no later than 5 p.m. on November 17, 2014. Please contact Laurie Logan, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail lalogan@mt.gov.

3. The rule as proposed to be adopted provides as follows:

NEW RULE I 2015 CALCULATION OF VALUE BEFORE REAPPRAISAL (VBR) FOR AGRICULTURAL LAND (1) For properties that have an agricultural land use classification change from the 2014 base year through tax year 2020, the VBR is calculated. A calculated VBR is the value of the new agricultural land use classification as if the new agricultural land use classification had existed before reappraisal. The department phases in the difference between the calculated VBR and the value of the new agricultural land use classification, in the current cycle, at a rate of 16.66 percent for each year of the revaluation cycle.

(2) An agricultural land use classification change is a dedicated agricultural land use change. A dedicated agricultural land use change is a deliberate change to an existing agricultural land use. For example, a dedicated use change includes a change from grazing to summer fallow or putting additional acreage under irrigation.

(3) The following are not considered an agricultural land use classification change:

(a) The department's updates from the Geographic Information System that result in acreage changes, which are not dedicated agricultural land use changes; or

(b) Incidental fluctuations in agricultural land use due to typical farming practices.

AUTH: 15-1-201, 15-7-101, 15-7-103, MCA

IMP: 15-7-111, MCA

REASONABLE NECESSITY: The department proposes adopting New Rule I to clarify the circumstances when a calculated VBR is necessary for the 2015 reappraisal. The law requires a change in value between reappraisals to be phased in each year of the new reappraisal cycle. Phase-in cannot be implemented for agricultural land use classification changes without calculating a VBR to determine the difference to be phased in. The proposed new rule also identifies that a calculated VBR is not necessary when the department makes updates to property data or when typical farming practices result in incidental changes to a field.

4. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to: Laurie Logan, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail lalogan@mt.gov and must be received no later than December 9, 2014.

5. Laurie Logan, Department of Revenue, Director's Office, has been designated to preside over and conduct this hearing.

6. The Department of Revenue maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request, which includes the name and e-mail or mailing address of the person to receive notices and specifies that the person wishes to receive notice regarding a particular subject matter or matters. Notices will be sent by e-mail unless a mailing preference is noted in the request. A written request may be mailed or delivered to the person in 4 above or faxed to the office at (406) 444-3696, or may be made by completing a request form at any rules hearing held by the Department of Revenue.

7. An electronic copy of this notice is available on the department's web site at revenue.mt.gov. Select the Administrative Rules link under the Other Resources section located in the body of the homepage, and open the Proposal Notices section within. The department strives to make the electronic copy of this notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. While the department also strives to keep its web site accessible at all times, in some instances it may be temporarily unavailable due to system maintenance or technical problems.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply

9. With regard to the requirements of 2-4-111, MCA, the department has determined that the adoption of the above-referenced rule will not significantly and directly impact small businesses.

/s/ Laurie Logan
Laurie Logan
Rule Reviewer

/s/ Mike Kadas
Mike Kadas
Director of Revenue

Certified to the Secretary of State October 27, 2014.